

## APPENDIX 4D – HALF YEAR REPORT

PERIOD ENDED 31 DECEMBER 2011

**QUESTUS LIMITED**  
**AND ITS CONTROLLED ENTITIES**  
**A.C.N. 100 460 035**

### Reporting Period

Half-year report for the period ended 31 December 2011. Previous corresponding half-year period ended 31 December 2010.

### Results for Announcement to Market

	<b>31 Dec 2011</b> \$	<b>31 Dec 2010</b> \$	<b>% Change</b>
Revenue	697,708	990,694	-29%
(Loss) from continuing operations	(4,389,717)	(226,373)	-1,839%
(Loss) before tax attributable to members	(4,385,203)	(314,278)	-1,295%
Net (loss) for the period attributable to members	(4,389,717)	(226,373)	-1,839%

### Earnings Per Share

	<b>31 Dec 2011</b>	<b>31 Dec 2010</b>
(Loss) per share (Basic and Diluted)	(10.86) cents	(0.58) cents

### Net Tangible Assets Per Security

	<b>31 Dec 2011</b>	<b>31 Dec 2010</b>
Net Tangible Asset backing	(3.5 cents)	8.7 cents

## APPENDIX 4D – HALF YEAR REPORT (Continued)

### **Dividends**

No dividends have been declared or paid during the half-year ended 31 December 2011.

### **Entities Acquired and Disposed During the Period**

No entities were acquired or disposed of during the period.

### **Compliance Statement**

The report is based on financial statements reviewed by the auditor, a copy of which is attached.

Signed in accordance with a resolution of Directors.

On behalf of the Directors

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Director  
Perth, 29 February 2012

# **QUESTUS LIMITED**

ABN 26 100 460 035

## **HALF-YEAR FINANCIAL REPORT**

### **31 DECEMBER 2011**

LODGED WITH THE ASX UNDER LISTING RULE 4.2A

THIS INFORMATION SHOULD BE READ IN CONJUNCTION WITH THE 30 JUNE 2011  
ANNUAL REPORT

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**CORPORATE DIRECTORY**

For the Half-Year Ended 31 December 2011

ABN 26 100 460 035

<b>DIRECTORS</b>	DJ Somerville (Executive Chairman)
	RW Olde (Executive Director)
	Prof. A Brennan (Non-Executive Director)
<b>COMPANY SECRETARY</b>	EBH Lee
<b>REGISTERED AND PRINCIPLE OFFICE</b>	884 Canning Highway APPLECROSS WA 6153 Telephone: +61 8 6310 5040 Facsimile: +61 8 6310 5041
<b>AUDITORS</b>	RSM Bird Cameron Partners Chartered Accountants 8 St George's Terrace PERTH WA 6000
<b>SOLICITORS</b>	Steinepreis Paganin Level 4, Next Building 16 Milligan Street PERTH WA 6000
<b>SHARE REGISTRY</b>	Security Transfer Registrars Pty Ltd Alexandrea House Suite 1, 770 Canning Highway APPLECROSS WA 6153 Telephone: + 61 8 9315 2333 Facsimile: + 61 8 9315 2233
<b>STOCK EXCHANGE LISTING</b>	Questus Limited shares are listed on the Australian Securities Exchange under the code QSS.
<b>WEB SITE</b>	<a href="http://www.questus.com.au">www.questus.com.au</a>
<b>COMPANY DOMICILE AND LEGAL FORM</b>	Questus Limited is a public company limited by shares, incorporated and domiciled in Australia.

## DIRECTORS' REPORT

For the Half-Year Ended 31 December 2011

ABN 26 100 460 035

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The directors of Questus Limited submit herewith the consolidated financial report for the half-year ended 31 December 2011.

### Directors

The names of the directors of the company during or since the end of the previous financial period and up to the date of this report are:

DJ Somerville (Executive Chairman)

RW Olde (Executive Director)

Prof. A Brennan (Non-Executive Director)

### Review of Operations

The consolidated statement of comprehensive income for the company and its subsidiaries shows a loss after income tax attributable to members of \$4,389,717 (Half-year to December 2010 : loss of \$226,373). The loss this period includes once off provisions of \$3,767,061 as explained below.

Subsequent to 31 December 2011, the Bank of Queensland issued a Statutory Demand on the company for the guarantee and indemnity provided by the company for loan facilities associated with the Questus Land Development Fund (QLDF). Whilst the assets still remain within the QLDF – the bank have sought to pursue the guarantee ahead of liquidating the underlying assets of the QLDF.

This action has accelerated negotiations by the company to undertake a recapitalisation of the company in order to propose a settlement with Bank of Queensland, and to refocus the company going forward on the delivery of National Rental Affordability Scheme (NRAS) dwellings and the management of NRAS entitlements.

The Directors are currently pursuing this recapitalisation and as a result have suspended the company from trading.

In light of these negotiations, the Directors have resolved to provide for all assets, being loans and receivables associated with QLDF and its subsidiaries. The Directors will still seek to recover the amounts, subject to the aforementioned proposal being achieved with Bank of Queensland.

The Board of Questus believes that a recapitalization of the company is in the best interest of all shareholders and will enable the company to focus entirely on its core business – the delivery of NRAS dwellings.

During this reporting period, the company was successful in receiving 1,777 reserve allocations under Round 4 of NRAS. This brings to a total 3,405 NRAS entitlements issued to the company – across Queensland, New South Wales, South Australia and Western Australia.

The Directors are pleased to confirm that 920 of these Round 4 allocations are for delivery of NRAS into the North West of WA – including Karratha, South Hedland, Onslow, Tom Price, Newman, Broome and Roebourne – the powerhouse of the Australian economy, and area of major need and demand for affordable housing. Questus has been instrumental in developing an NRAS delivery model for the North West of WA, in conjunction with the major Government instrumentalities and land holders in the region.

The reserved allocation of entitlements under Round 4 further strengthens the direction taken by Questus to be one of the major providers of NRAS properties across Australia.

The Board of Questus is extremely positive about the company's future profitability as a result of its participation in the NRAS. The Board has strong expectations of a vigorous return to value for shareholders from the delivery of profits from these activities.

QUESTUS LIMITED

## DIRECTORS' REPORT

For the Half-Year Ended 31 December 2011

ABN 26 100 460 035

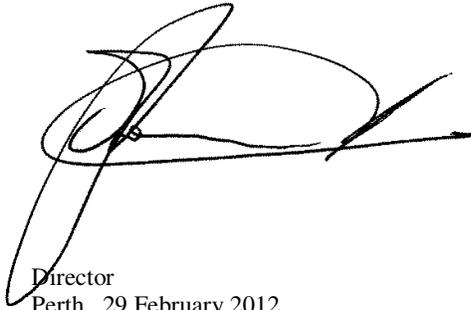
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### Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* and included within these financial statements.

Signed in accordance with a resolution of directors.

On behalf of the Directors



Director  
Perth, 29 February 2012

**RSM Bird Cameron Partners**  
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www.rsmi.com.au

### AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Questus Limited for the half-year ended 31 December 2011, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

*RSM Bird Cameron Partners*

RSM BIRD CAMERON PARTNERS  
Chartered Accountants



TUTU PHONG  
Partner

Perth, WA  
Dated: 29 February 2012

## DIRECTORS' DECLARATION

For the Half-Year Ended 31 December 2011

ABN 26 100 460 035

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In the opinion of the directors of Questus Limited ('the company'):

1. The financial statements and notes thereto of the consolidated entity, as set out within this financial report, are in accordance with the *Corporations Act 2001* including:
  - a. complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
  - b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year then ended.
2. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors.

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

Director

Perth, 29 February 2012

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the Half-Year Ended 31 December 2011

ABN 26 100 460 035

	<b>Half-Year Ended 31 December 2011 \$</b>	<b>Half-Year Ended 31 December 2010 \$</b>
<b><u>Continuing operations</u></b>		
Revenue	697,708	990,694
Employee expenses	(573,299)	(446,835)
Administrative expenses	(641,574)	(699,940)
Impairment of financial assets	(568,598)	-
Impairment of receivables	(1,228,772)	-
Provision for doubtful debts	(1,969,691)	-
Payment to HSBC as per DOCA	-	(22,919)
Finance costs	(92,876)	(127,131)
Amortisation and depreciation	(8,101)	(8,147)
<b>(Loss) before income tax expense</b>	<b>(4,385,203)</b>	<b>(314,278)</b>
Income tax (expense)/benefit	(4,514)	87,905
<b>(Loss) from continuing operations</b>	<b>(4,389,717)</b>	<b>(226,373)</b>
<b>Other comprehensive income for the period</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive (loss) for the period</b>	<b>(4,389,717)</b>	<b>(226,373)</b>

**Earnings Per Share: (cents per share)**

**Continuing operations**

Basic (loss) per share	(10.86) cents	(0.58) cents
Diluted (loss) per share	(10.86) cents	(0.58) cents

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 31 December 2011

ABN 26 100 460 035

	Note	31 December 2011 \$	30 June 2011 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalent		1,065,283	1,072,421
Trade and other receivables		624,661	857,200
Other current assets		24,008	51,040
<b>TOTAL CURRENT ASSETS</b>		<u>1,713,952</u>	<u>1,980,661</u>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	4	129,082	3,075,762
Financial assets	5	372,235	789,996
Deferred tax asset		2,116,971	2,127,312
Plant and equipment		9,252	11,937
Intangible assets		2,522,916	2,528,847
<b>TOTAL NON-CURRENT ASSETS</b>		<u>5,150,456</u>	<u>8,533,854</u>
<b>TOTAL ASSETS</b>		<u>6,864,408</u>	<u>10,514,515</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		1,490,312	1,395,852
Interest-bearing liabilities		2,096,599	1,452,525
Provisions		54,614	48,916
<b>TOTAL CURRENT LIABILITIES</b>		<u>3,641,525</u>	<u>2,897,293</u>
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities		396,769	402,598
Provisions		5,481	4,274
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>402,250</u>	<u>406,872</u>
<b>TOTAL LIABILITIES</b>		<u>4,043,775</u>	<u>3,304,165</u>
<b>NET ASSETS</b>		<u>2,820,633</u>	<u>7,210,350</u>
<b>EQUITY</b>			
Issued capital	3	18,606,370	18,606,370
Reserves		107,130	107,130
Accumulated losses		(15,892,867)	(11,503,150)
<b>TOTAL EQUITY</b>		<u>2,820,633</u>	<u>7,210,350</u>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the Half-Year Ended 31 December 2011

ABN 26 100 460 035

	Issued Capital	Share-based Payments Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
<b>Balance at 1 July 2010</b>	<b>18,464,370</b>	<b>24,510</b>	<b>(10,606,867)</b>	<b>7,882,013</b>
Loss for the period	-	-	(226,373)	(226,373)
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>(226,373)</b>	<b>(226,373)</b>
<b>Transactions with owners in their capacity as owners:</b>				
Issue of ordinary shares	142,000	-	-	142,000
<b>Balance at 31 December 2010</b>	<b>18,606,370</b>	<b>24,510</b>	<b>(10,833,240)</b>	<b>7,797,640</b>
<b>Balance at 1 July 2011</b>	<b>18,606,370</b>	<b>107,130</b>	<b>(11,503,150)</b>	<b>7,210,350</b>
Loss for the period	-	-	(4,389,717)	(4,389,717)
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>(4,389,717)</b>	<b>(4,389,717)</b>
<b>Transactions with owners in their capacity as owners:</b>				
	-	-	-	-
<b>Balance at 31 December 2011</b>	<b>18,606,370</b>	<b>107,130</b>	<b>(15,892,867)</b>	<b>2,820,633</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS**

For the Half-Year Ended 31 December 2011

ABN 26 100 460 035

	<b>Half Year Ended 31 December 2011 \$</b>	<b>Half Year Ended 31 December 2010 \$</b>
<b>Cash flows from operating activities</b>		
Receipts from customers	646,860	1,113,946
Payments to suppliers and employees	(1,185,743)	(1,390,253)
Interest received	84,271	139,496
Interest paid	(86,499)	(47,934)
<b>Net cash flows (used in) operating activities</b>	<u>(541,111)</u>	<u>(184,745)</u>
<b>Cash flows from investing activities</b>		
Sale/(purchase) of plant and equipment	514	(3,266)
Proceeds from lease receivable	15,785	90,020
Distributions from investments	2,008	1,240
Advanced to related companies	(305,057)	(326,264)
Payment for investment	(30,000)	(20,000)
<b>Net cash flows (used in) / provided by investing activities</b>	<u>(316,750)</u>	<u>(258,270)</u>
<b>Cash flows from financing activities</b>		
Proceeds /(repayment) of insurance funding	-	166,697
Proceeds from borrowings	1,097,119	150,000
Cash received pending for allotment of shares	500,000	-
Repayments of borrowings	(746,396)	-
<b>Net cash flows provided by / (used in) financing activities</b>	<u>850,723</u>	<u>316,697</u>
Net (decrease) in cash and cash equivalents	(7,138)	(126,318)
Cash and cash equivalents at the beginning of the period	1,072,421	1,062,828
<b>Cash and cash equivalents at the end of the period</b>	<u>1,065,283</u>	<u>936,510</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Half-Year Ended 31 December 2011

ABN 26 100 460 035

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### 1. Basis of preparation

This general purpose financial report for the half-year reporting period ended 31 December 2011 has been prepared in accordance with Australian Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include full disclosures of the type normally included in an annual report. It is recommended that this financial report to be read in conjunction with the annual financial report for the year ended 30 June 2011 and any public announcements made by Questus Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies have been consistently applied with those of the previous financial year and corresponding interim reporting period, except in relation to the matters disclosed.

#### *New and Revised Accounting Standards*

In the current year, the consolidated entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. The adoption of these new and revised Standards and Interpretations has not resulted in a significant or material change to the consolidated entity's accounting policies.

#### **Going concern**

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the consolidated entity incurred a loss of \$4,389,717 and had net cash outflows from operating activities of \$541,111 for the half-year ended 31 December 2011. As at that date, the consolidated entity had net current liabilities of \$1,927,573.

These factors indicate significant uncertainty as to whether the consolidated entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe that there are reasonable grounds to believe that the consolidated entity will be able to continue as a going concern, after consideration of the following factors:

- The confirmed allocation of NRAS entitlements in Queensland, New South Wales and Western Australia, provides a definite future revenue stream which is forecasted to produce profitable trading results in future reporting periods;
- \$500,000 in share capital was paid up and issued by the company subsequent to balance date as disclosed in Note 8;
- The ability to issue additional shares under the *Corporation Act 2001*, in the event that such is required; and
- The consolidated entity has the ability to scale down its operations in order to save costs, in the event capital raisings are delayed or insufficient cash is available to meet projected expenditure commitments.

Accordingly, the Directors believe that the consolidated entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the consolidated entity does not continue as a going concern.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the Half-Year Ended 31 December 2011

ABN 26 100 460 035

**2. Segment Reporting**

Management has determined the operating segments based on the management reports reviewed by the Board of Directors that are used to make strategic decisions. The Board of Directors considers the business from both a geographic and business segment perspective and has identified one reportable segment.

The identifiable reportable segment is the provision of financial services for the domestic Australian market.

		<b>31 December 2011</b>	<b>30 June 2011</b>
		<b>\$</b>	<b>\$</b>
<b>3. Issued Capital</b>			
<i>a) Paid up capital</i>			
	Ordinary shares	18,606,370	18,606,370
<i>b) Movements</i>			
		<b>Number of securities</b>	<b>\$</b>
<b>Date</b>	<b>Details</b>		
1 July 2010	Opening balance	37,271,146	18,464,370
	Private placement	2,444,444	110,000
	Private placement	711,111	32,000
31 December 2010	Closing balance	<u>40,426,701</u>	<u>18,606,370</u>
		<b>Number of securities</b>	<b>\$</b>
<b>Date</b>	<b>Details</b>		
1 July 2011	Opening balance	40,426,701	18,606,370
	Movement	-	-
31 December 2011	Closing balance	<u>40,426,701</u>	<u>18,606,370</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the Half-Year Ended 31 December 2011

ABN 26 100 460 035

	<b>31 December 2011 \$</b>	<b>30 June 2011 \$</b>
<b>4 TRADE AND OTHER RECEIVABLES</b>		
NON-CURRENT		
Trade receivables	36,015	89,117
Trade receivables [1]	-	1,808,546
Other related parties [1]	93,067	898,826
Interest receivable [1]	-	104,122
Lease commitment receivables	182,996	182,996
Provision for doubtful debts – lease commitments	(182,996)	(7,845)
	129,082	3,075,762
	129,082	3,075,762

[1] Includes \$Nil (June 2011: \$2,811,494) due from entities that are subject to formal insolvency administration. The directors have made a full impairment of these amounts during the half-year totaling \$3,037,834.

**5 FINANCIAL ASSETS**

Non current

Available-for-sale financial assets [*]	322,235	336,996
Held to maturity financial asset [**]	50,000	453,000
	372,235	789,996
	372,235	789,996

[\*] Includes an investment with net fair value of \$Nil (June 2011: \$18,803) in Questus Land Development Fund where the underlying assets of the Fund are subject to formal insolvency administrations. The directors have made a full impairment of this amount during the half-year totaling \$18,803.

[\*\*] Includes investment in Links Ridge Estate of \$Nil (June 2011: \$403,000) which is subject to a formal insolvency administration. The directors have made a full impairment of these amounts during the half-year totaling \$433,000.

**6. CONTINGENT LIABILITIES OR ASSETS**

Questus Capital Solutions Pty Ltd (QCS), a wholly owned subsidiary of Questus Limited, has filed an amended defence in respect to a claim by Hassan Family Investments. QCS maintains its position that there is no valid claim. The outcome of this matter will be unknown until the matter is presented to the courts and this is not expected until the last quarter of the 2012 calendar year.

Apart from the above, there has been no change in contingent liabilities since the issue of the 30 June 2011 annual financial report.

QUESTUS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Half-Year Ended 31 December 2011

ABN 26 100 460 035

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### 7. DIVIDENDS

No dividends have been declared or paid during the half-year ended 31 December 2011 or in the prior period, and the directors do not recommend the payment of a dividend in respect of the half-year ended 31 December 2011.

### 8. EVENTS SUBSEQUENT TO REPORTING DATE

On 31 December 2011 the company received \$500,000 pursuant to a capital raise. On 19 January 2012, the company issued 5,000,000 shares at 10 cents in relation to these funds received. In accordance with Australian Accounting Standards the funds received in December 2011 have been treated as a liability not equity. As at 19 January 2012, the funds received are treated as an equity contribution.

In February 2012, the company executed a Deed of Settlement, Termination and Release with HSBC in regard to the Loan Book Realisation Deed it entered in August 2007. The Loan Book Realisation Deed set out the obligations of each party in regard to the realisation and collection of funds from loans and leases written prior to the company entering a Deed of Company Arrangement in November 2007. If the company is able to recover any proceeds going forward, 100% of the proceeds will remain with the company.

In February 2012, Financial Resources Securities Pty Ltd, a wholly owned subsidiary of the company, which was acquired as part of the Deed of Company Arrangement undertaken by the company in 2007, had external managers appointed. This company was in the process of clearing its loan book and is not a core activity of the consolidated entity.

As previously disclosed in the 30 June 2011 annual report, the company provided a guarantee and indemnity to Bank of Queensland (BOQ) for various banking facilities in relation to the Questus Land Development Fund. Following the global financial crisis and expiration of these facilities, BOQ has issued a Statutory Demand for the amount owed under these facilities. The company has been in negotiations with parties to seek a facility to allow for the securing of an agreed outcome with BOQ. The company has sought to enter voluntary suspension of its securities whilst these negotiations are ongoing.

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## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF QUESTUS LIMITED

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Questus Limited which comprises the statement of financial position as at 31 December 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

#### *Directors' Responsibility for the Half-Year Financial Report*

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Questus Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

# RSM Bird Cameron Partners

Chartered Accountants

## *Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Questus Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

## *Basis for Qualified Conclusion*

Our audit opinion on the financial report for the year ended 30 June 2011 was qualified in relation to receivables of \$2,811,494 and investments in financial assets of \$421,803 as we were unable to obtain appropriate audit evidence as to the recoverability of these assets. Accordingly, we are unable to express any assurance in respect of the comparative information for these assets. During the half-year ended 31 December 2011, the directors have fully impaired these assets. We were unable to determine whether the expense recognised in relation to the impairment of these assets in the statement of comprehensive income for the half-year ended 31 December 2011 was recorded in the correct period or at the correct amount.

## *Qualified Conclusion*

Except for the effect, if any, on the comparatives and the adjustments to the half-year financial report that we might have become aware of had it not been for the situation described above, based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Questus Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

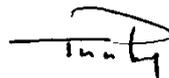
## *Emphasis of Matter*

Without further qualifying our conclusion, we draw attention to Note 1 in the financial report, which indicates that during the half-year ended 31 December 2011, the consolidated entity incurred a net loss of \$4,389,717 and had net cash outflows from operating activities of \$541,111. As at that date, the consolidated entity had net current liabilities of \$1,927,573.

These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS  
Chartered Accountants



TUTU PHONG  
Partner

Perth, WA  
Dated: 29 February 2012